

The 65th Parallel

The irony was not lost on me as I sat in the auditorium of the Roosevelt House awaiting the start of a panel discussion whose subject was “The New York City Taxi Industry: Current Policy Issues & Paths Forward.” It has been a while since I attended an industry function. Most TLC hearings I watch on my computer. But, here I was, on a rainy Monday night at the Roosevelt House on East 65th Street ready to hear what the panel had to say. Among the notable speakers were Councilmen Rodriguez and Powers. Ydanis Rodriguez has been a supporter of the taxi and livery industry, and is rumored to be seeking higher office. Keith Powers, who briefly appeared and spoke at this event, is the councilman for the district where this panel was held, the Upper East Side of Manhattan. Both men spoke with appreciation for the drivers who provide taxi and livery service to the tourists and residents of New York. There were some current drivers in the audience and a couple even got to ask questions.

It was only a few days before this event that the NY Times published a second article about the rise and fall of “The Taxi King” penned by Mr. Rosenthal. Why this was news was beyond my pay grade. Mr. Freidman’s “Taxi King” status had long been stripped away by the numerous bankruptcies and foreclosures of his corporate entities which owned his medallions. It had been many months since his legal problems subsequently caused legal problems for his lessor Michael Cohen which partially resulted in Mr. Cohen’s three-year jail term. It was also true that Mr. Freidman’s principal residence was in foreclosure and that building was only two blocks from where I was sitting. Even though Mr. Freidman is not and never was the face of the industry, regardless of what the newspapers say, it was startling to consider his descent.

I kept waiting to hear what the speakers were going to do to revitalize the taxi industry. Charles Komanoff, a NYC economist and environmental activist, spoke of the disgraceful way that the city systemically violated the taxi franchise for street hails. He was interested in getting to the bottom of how this all evolved. Javaid Tariq represented the NYTWA, the Taxi Workers Alliance, so it would not be an understatement to say that it is apparent that he bleeds for his drivers. It was clear that the speakers were quite accurate in identifying the short and the long-term issues facing the taxi industry. Some identified the causes of congestion, bike lanes, pedestrian plazas, and endless construction zones, as well as 110,000 additional ride hail vehicles. Komanoff suggested charging the ride hail companies a fee for every minute of idle time, thereby making pricing more competitive and reducing congestion.

Still, I waited to hear more solutions. Still, I wanted to hear some reaffirmation that the medallion system is worth keeping. Mr. Rodriguez spoke of lifting the “Uber cap” because the unintended consequence of the cap in its negative effect on his livery constituents in the outer boroughs. Not until the Q & A did I hear anything resembling a medallion remedy. Finally, an elderly lady sitting behind me suggested that all providers of transportation be required to buy a medallion. It was a broad suggestion, lacking in detail, but clearly something the audience appreciated. It dawned on me that maybe she has read some of my columns. Or perhaps my idea is not all that brilliant or unique.

In the meantime, there is the occasional call for a bailout of some kind for the owner-drivers of the industry. Politicians like Alexandria Ocasio-Cortez have seized upon the unfairness of the collapse of the medallion and the consequences of bankruptcy, foreclosure and suicide. Whether

or not there is any public taste for a bailout remains to be seen, but a revitalization of the medallion system is clearly in the public interest. But first, the political leaders must state unequivocally that they believe in the medallion system, and they want to revitalize it. Without a public declaration, the industry is in the wilderness. As it is, the industry has suffered from years of benign neglect, as the refusal to properly categorize Uber et al has indicated. The city stood their ground in lawsuits by claiming that Uber et al were not on-demand services, but operated by pre-arrangement. And the courts bought this fallacious argument. Moreover, the TLC's rules regarding black car and livery bases have been violated by the ride hail companies. By doing little to prevent the ride hail companies from operating with impunity, the TLC's benign neglect reeks of regulatory failure and capture by those with political influence. And currently, there is no permanent TLC chairman.

Oh, I hear that Michael Bloomberg is running for president. I see that he has already spent \$100 million of his own fortune on this candidacy. Is he a Democrat or a Republican? Had he run as a Republican, he might have been a reasonable alternative to the current occupant and likely would have garnered much support from Wall Street and the business community. Is there any groundswell of support for him? Outside of the taxi industry, he has done lots of good, especially when it comes to gun legislation. Is he going to give up his position as de facto head of the TLC? Is there a connection between the NY Times articles on the taxi business and this run for president?

I recall that after 9/11, Rudolph Giuliani wanted to stay on as Mayor because of the unusual emergency circumstances. Term limits be damned. This idea was met by opposition and derision. But fast forward 8 years and Bloomberg was able to get away with bypassing the term limit in the city council. His third term was an unequivocal disaster for the taxi industry. The rules got bent, we got screwed.